



February 20, 2015

SENATE BILL No. 509

DIGEST OF SB 509 (Updated February 19, 2015 11:08 am - DI 120)

Citations Affected: IC 21-12.

Synopsis: Scholarships and grants. Provides that at the end of each state fiscal year, the commission for higher education (commission) may order the auditor of state to transfer money among certain funds if the commission determines that the remaining appropriation in a particular fund could be used by eligible applicants for an award under one of the other funds in the following state fiscal year. Provides that the auditor of state shall make a transfer ordered by the commission. Renames the "part-time student grant" as the "adult student grant". Renames the "part-time student grant fund" as the "adult student grant fund". Requires the commission for higher education to award an additional amount in a recipient's final semester to a recipient graduating with a degree aligned to priority economic sectors identified by the Indiana career council. Makes technical and conforming amendments.

Effective: July 1, 2015.

Charbonneau, Kenley, Rogers

January 14, 2015, read first time and referred to Committee on Education & Career Development.

February 12, 2015, reported favorably — Do Pass; reassigned to Committee on Appropriations.

February 19, 2015, amended, reported favorably — Do Pass.

SB 509—LS 6850/DI 116



February 20, 2015

First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 509

A BILL FOR AN ACT to amend the Indiana Code concerning higher education.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 21-12-1-4.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2015]: **Sec. 4.5. "Adult student grant" refers to a monetary**
4 **award under IC 21-12-8 from the adult student grant fund.**
5 SECTION 2. IC 21-12-1-11, AS ADDED BY P.L.2-2007,
6 SECTION 253, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2015]: Sec. 11. "Fund":
8 (1) for purposes of IC 21-12-6, refers to the twenty-first century
9 scholars fund established by IC 21-12-6-2;
10 (2) for purposes of IC 21-12-7, refers to the twenty-first century
11 scholars program support fund established by IC 21-12-7-1; and
12 (3) for purposes of IC 21-12-8, refers to the ~~part-time~~ **adult**
13 student grant fund established by IC 21-12-8-1.
14 SECTION 3. IC 21-12-1-12 IS REPEALED [EFFECTIVE JULY 1,
15 2015]. ~~Sec. 12: "Part-time student grant" refers to a monetary award~~
16 ~~under IC 21-12-8 from the part-time student grant fund.~~

SB 509—LS 6850/DI 116



SECTION 4. IC 21-12-1.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]:

Chapter 1.2. General Provisions

Sec. 1. The commission may order the auditor of state to transfer money among the freedom of choice grant fund, the higher education award fund, the twenty-first century scholars fund, and the adult student grant fund as needed to meet the obligations of the funds for a particular state fiscal year. The auditor of state shall make a transfer ordered by the commission with the approval of the budget director and the governor.

Sec. 2. (a) At the end of each state fiscal year, the commission shall determine the amount of the appropriation remaining in the following funds:

(1) Higher education award fund established under IC 21-12-3-19.

(2) Freedom of choice grant fund established under IC 21-12-4-5.

(3) Twenty-first century scholars fund established by IC 21-12-6-2.

(4) Adult student grant fund established by IC 21-12-8-1.

(b) At the end of each state fiscal year, the commission may order the auditor of state to transfer money among the funds listed in subsection (a) if the commission determines that the remaining appropriation in a particular fund could be used by eligible applicants for an award under another fund listed in subsection (a) in the following state fiscal year. The auditor of state shall make the transfer ordered by the commission with the approval of the budget director and the governor.

SECTION 5. IC 21-12-1.7-5, AS ADDED BY P.L.281-2013, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 5. (a) If the sum of awards under sections 3 and 4 of this chapter exceeds the appropriation in a given year, the commission shall reduce the level of awards offered under section 4 of this chapter as necessary so that the sum of awards under sections 3 and 4 of this chapter does not exceed the appropriation.

(b) The commission may increase, but shall not decrease, the amounts of awards published under section 3 of this chapter from the amount offered the previous academic year.

SECTION 6. IC 21-12-3-19, AS AMENDED BY P.L.229-2011, SECTION 224, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 19. The auditor of state shall create



1 a separate and segregated higher education award fund distinct from
 2 the freedom of choice grant fund. ~~Money may be exchanged or~~
 3 ~~transferred between these funds as provided by section 21 of this~~
 4 ~~chapter and IC 21-12-4-9.~~ All money disbursed from the higher
 5 education award fund shall be in accordance with this chapter. Money
 6 remaining in the higher education award fund at the end of any fiscal
 7 year does not revert to the state general fund but remains available to
 8 be used for making higher education awards under this chapter, **or it**
 9 **may be transferred to another fund under this article as directed**
 10 **by the commission under IC 21-12-1.2-2.**

11 SECTION 7. IC 21-12-3-20, AS ADDED BY P.L.2-2007,
 12 SECTION 253, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2015]: Sec. 20. If at the end of a fiscal year part
 14 of the money appropriated for that year for the purposes of this chapter
 15 remains unspent, it may be spent for those purposes during the next
 16 fiscal year, **or it may be transferred to another fund under this**
 17 **article as directed by the commission under IC 21-12-1.2-2.**

18 SECTION 8. IC 21-12-3-21 IS REPEALED [EFFECTIVE JULY 1,
 19 2015]. ~~Sec. 21: The commission may order the auditor of state to~~
 20 ~~transfer to the freedom of choice grant fund money from the higher~~
 21 ~~education award fund. The auditor of state shall make the transfer~~
 22 ~~ordered by the commission with the approval of the budget director and~~
 23 ~~the governor.~~

24 SECTION 9. IC 21-12-4-6 IS REPEALED [EFFECTIVE JULY 1,
 25 2015]. ~~Sec. 6: Except as provided in section 9 of this chapter and~~
 26 ~~IC 21-12-3-21, money shall not be exchanged or transferred among~~
 27 ~~these funds.~~

28 SECTION 10. IC 21-12-4-8, AS ADDED BY P.L.2-2007,
 29 SECTION 253, IS AMENDED TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2015]: Sec. 8. Money remaining in the freedom
 31 of choice grant fund at the end of any fiscal year does not revert to the
 32 state general fund, but remains available to be used for making freedom
 33 of choice grants under this chapter, **or it may be transferred to**
 34 **another fund under this article as directed by the commission**
 35 **under IC 21-12-1.2-2.**

36 SECTION 11. IC 21-12-4-9 IS REPEALED [EFFECTIVE JULY 1,
 37 2015]. ~~Sec. 9: The commission may order the auditor of state to transfer~~
 38 ~~money among the freedom of choice grant fund; the higher education~~
 39 ~~award fund; and the twenty-first century scholars fund; as needed to~~
 40 ~~meet the obligations of the funds. The auditor of state shall make the~~
 41 ~~transfer ordered by the commission with the approval of the budget~~
 42 ~~director and the governor.~~



SECTION 12. IC 21-12-6-2, AS ADDED BY P.L.234-2007, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 2. (a) The twenty-first century scholars fund is established to provide the financial resources necessary to award the scholarships authorized under the program.

(b) The commission shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund but remains available to be used for providing money for twenty-first century scholarships under this chapter, **or it may be transferred to another fund under this article as directed by the commission under IC 21-12-1.2-2.**

SECTION 13. IC 21-12-6-3, AS ADDED BY P.L.2-2007, SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. Money in the fund must be used to provide annual tuition scholarships to qualified scholarship applicants who enroll as full-time students at a postsecondary educational institution that qualifies for participation in the program under section 4 of this chapter, **unless it is transferred to another fund under this article at the direction of the commission under IC 21-12-1.2-2.**

SECTION 14. IC 21-12-8-1, AS ADDED BY P.L.234-2007, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. (a) The ~~part-time adult~~ student grant fund is established to make awards authorized under this chapter to eligible applicants.

(b) The fund consists of the following:

(1) Appropriations made by the general assembly.

(2) Gifts, grants, devises, or bequests made to the state to achieve the purposes of the fund.

(3) Amounts transferred to the fund as directed by the commission under IC 21-12-1.2-2.

(c) The fund shall be administered by the commission.

(d) The fund must be separate and distinct from other funds administered by the commission. ~~and money in the fund may not be exchanged with or transferred to other funds.~~

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same



manner as other public funds are invested.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund but remains available to be used for providing money for **part-time adult** student grants under this chapter, **or it may be transferred to another fund under this article as directed by the commission under IC 21-12-1.2-2.**

SECTION 15. IC 21-12-8-2, AS AMENDED BY P.L.46-2014, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 2. The commission shall do the following:

(1) Adopt rules under IC 4-22-2 governing the operation of the fund; including rules specifying the procedures that applicants must follow to appeal determinations made under subdivisions (3) and (4).

(2) (1) Prescribe the form and manner in which applications for **part-time adult** student grants may be submitted.

(3) (2) Determine the eligibility of applicants.

(4) (3) Determine the amount of a **part-time an adult** student grant awarded to a recipient.

(5) Award part-time student grants totaling at least fifty percent (50%) of the available appropriation each fiscal year to students who are identified by the commission as:

(A) financially independent from their parents; and

(B) pursuing a program of study that will lead to a specific high demand; high wage job.

(6) Submit not later than November 1, 2014, to the legislative council, in an electronic format under IC 5-14-6, a report that includes the following:

(A) The size of student populations in Indiana that:

(i) attend a postsecondary educational institution part-time; or

(ii) combine part-time and full-time enrollment in a postsecondary educational institution.

(B) The financial need of the student populations described in clause (A).

(C) The completion rates of the student populations described in clause (A).

(D) Recommendations for increasing the completion rates of the student populations described in clause (A) by using financial support and student incentives.

(4) Award an additional amount in a recipient's final semester to a recipient graduating with a degree aligned to priority economic sectors as identified by the Indiana career council.



SECTION 16. IC 21-12-8-3, AS AMENDED BY P.L.281-2013,
SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2015]: Sec. 3. (a) An applicant is eligible to receive a
~~part-time~~ **an adult** student grant if the following conditions are met:

(1) The applicant is domiciled in Indiana, as defined by the
commission.

(2) The applicant:

(A) has received a diploma of graduation from an approved
secondary school;

(B) has been granted a:

(i) high school equivalency certificate before July 1, 1995;
or

(ii) state of Indiana general educational development (GED)
diploma under IC 20-10.1-12.1 (before its repeal),
IC 20-20-6 (before its repeal), or IC 22-4.1-18; or

(C) is a student in good standing who is completing a final
year of study at an approved secondary school and will be
eligible upon graduation to attend an approved institution of
higher learning.

(3) The applicant declares, in writing, a specific educational
objective or course of study and enrolls in:

(A) a course that applies toward the requirements for
completion of that objective or course of study; or

(B) a course designed to help the applicant develop the basic
skills the applicant needs to successfully achieve that objective
or continue in that course of study.

(4) The applicant enrolls in at least six (6) ~~but fewer than twelve~~
~~(12)~~ credit hours in any academic term.

(5) The commission or an approved postsecondary educational
institution acting as the commission's agent determines that the
financial resources available to the applicant are such that in the
absence of a grant under this chapter the applicant would be
deterred from beginning or completing the applicant's declared
educational objective or course of study.

(6) The applicant has not received a Frank O'Bannon grant for the
maximum number of academic terms.

**(7) The applicant is identified as financially independent from
the applicant's parents as determined by the Free Application
for Federal Student Aid (FAFSA).**

(b) The commission ~~shall~~ **may** reduce an award offered under this
section by the amount the applicant is eligible to receive in tuition
reimbursement from an employer or another outside source.



1 SECTION 17. IC 21-12-8-4 IS REPEALED [EFFECTIVE JULY 1,
2 2015]. ~~Sec. 4: The commission may establish accumulated credit~~
3 ~~requirements as a condition of eligibility for an award made under this~~
4 ~~chapter.~~

5 SECTION 18. IC 21-12-8-5, AS AMENDED BY P.L.281-2013,
6 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2015]: Sec. 5. Subject to this chapter, a student's ~~part-time~~
8 **adult** student grant may be renewed if the student does the following:

9 (1) ~~For a student who initially enrolls in an eligible institution~~
10 ~~before September 1, 2013:~~

11 (A) ~~makes satisfactory progress toward a certificate, nursing~~
12 ~~diploma, associate degree, or baccalaureate degree; and~~

13 (B) ~~demonstrates continuing financial need.~~

14 (2) ~~For a student who initially enrolls in an eligible institution for~~
15 ~~an academic year beginning after August 31, 2013:~~

16 (A) (1) ~~Successfully completes at least eighteen (18) credit hours~~
17 ~~or their equivalent toward a certificate, nursing diploma, associate~~
18 ~~degree, or baccalaureate degree in the previous academic year.~~

19 (B) (2) ~~Demonstrates continuing financial need. and~~

20 (C) (3) ~~Maintains at least a cumulative grade point average that~~
21 ~~the eligible institution determines is satisfactory academic~~
22 ~~progress.~~

23 SECTION 19. IC 21-12-8-8 IS REPEALED [EFFECTIVE JULY 1,
24 2015]. ~~Sec. 8: The commission may permit an approved postsecondary~~
25 ~~educational institution to act as its agent in accepting applications from;~~
26 ~~determining eligibility for, and making awards to eligible applicants of~~
27 ~~the approved postsecondary educational institution. The approved~~
28 ~~postsecondary educational institution shall provide to the commission~~
29 ~~on a timely basis any information, reports, and accounting the~~
30 ~~commission requires.~~



COMMITTEE REPORT

Madam President: The Senate Committee on Education & Career Development, to which was referred Senate Bill No. 509, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 509 as introduced.)

KRUSE, Chairperson

Committee Vote: Yeas 10, Nays 0

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 509, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 5, between lines 39 and 40, begin a new line block indented and insert:

"(4) Award an additional amount in a recipient's final semester to a recipient graduating with a degree aligned to priority economic sectors as identified by the Indiana career council."

Page 7, delete lines 28 through 42.

Delete pages 8 through 9.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 509 as printed February 13, 2015.)

KENLEY, Chairperson

Committee Vote: Yeas 12, Nays 0.

